



**OFFICE OF THE  
STATE AUDITOR**

Comment Period: In an effort to make our publications accurate and useful to our intended audience, we invite individuals who work for and with local government entities to read this draft and provide comment. The comment period will last 30 days. Comments should be submitted to Seth Oveson at soveson@utah.gov by **March 13, 2020**.

**Auditor Alert 2020-01 DRAFT**

**Date:** February 13, 2020

**Subject:** Annual Fraud Risk Assessment

**Background**

The Office of the State Auditor (Office) has developed a [Fraud Risk Assessment](#) (Assessment) to help local government board members understand best practices in fraud detection and prevention. The Assessment assigns an overall risk level of undetected fraud based upon points earned for the implementation of the identified best practices.

We emphasize the following:

- The best practices identified in the Assessment are not required, but are highly recommended.
- All of the best practices identified in the Assessment may be implemented at a low or no cost.
  - See the [Implementation Guide](#) for resources and suggestions.
- The Assessment is not a replacement or duplication of the internal control assessment performed by an independent auditor as part of a financial statement audit. While they are both risk assessments, their methodologies and purposes are distinct.

**Requirements**

Beginning in 2020, all local governments will compete the Assessment internally.

- The Assessment must be completed and presented to the governing board before the end of the 2020 fiscal year.
- The Chief Administrative Officer and Chief Financial Officer must certify the results of the Assessment.
- The Assessment must be submitted to the Office within six months after the end of the fiscal year.

**Feedback**

The Office is accepting feedback on the Assessment as well as this Auditor Alert through March 13, 2020. If revisions are made to the Assessment due to feedback provided during this comment period, the Office anticipates those revisions to be finalized by April 3, 2020.